

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 IO-13 HA-05 AID-05 PC-01 EB-08 OMB-01
TRSE-00 DOE-11 SOE-02 OES-07 STR-06 XMB-02 COME-00
NEA-10 IGA-02 ACDA-12 /146 W
-----082242 201840Z /44

R 201508Z JAN 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 0819
INFO AMEMBASSY BOGOTA
USCINCSO QUARRY HEIGHTS
USCINCLANT NORFOLK VA

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E.O. 11652: NA
TAGS: PEPR, ETRD,PINS, PINT, SGEN, VE
SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 0358

SUMMARY: GOV REPORT CRITICAL OF U.S. ECONOMIC POLICY.
DEVELOPMENT MINISTRY IMPOSES ADDITIONAL IMPORT
REQUIREMENTS. FOUR SOLDIERS WOUNDED IN ENCOUNTERS
WITH GUERRILLAS.COPEI CELEBRATES ITS 32ND ANNIVERSARY.
THE UNIVERSIDAD CENTRAL DE VENEZUELA SPONSORS A REUNION
OF THE "GENERATION OF 28" WITHOUT ROMULO BETANCOURT. END SUMMARY.

1. GOV REPORT CRITICAL OF U.S. ECONOMIC POLICY.
ACCORDING TO JANUARY 20 PRESS REPORTS, THE INSTITUTO
DE COMERCIO EXTERIOR (ICE), THE FOREIGN ECONOMIC POLICY
AGENCY OF THE GOVERNMENT OF VENEZUELA, HASPREPARED A
LENGTHY INTERNAL DOCUMENT FOR THE PRESIDENT WHICH REVIEWS THE STATUS
OF THE NORTH SOUTH DIALOGUE AND THE PROGRESS TOWARD A
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NEW INTERNATIONAL ECONOMIC ORDER. THE DOCUMENT IS REPORTEDLY
CRITICAL OF THE CARTER ADMINISTRATION'S FOREIGN ECONOMIC POLICY,
ACCUSING THE UNITED STATES OF IMPEDING PROGRESS TOWARD CHANGE IN
THE WORLD ECONOMIC SYSTEM. REPORTEDLY IT ALSO DISCUSSES THE
CANDIDACY OF PRESIDENT CARTER, HIS ELECTORAL CAMPAIGN, HIS
PARTY'S POLITICAL PLATFORM AND THE PERFORMANCE OF THE PRESIDENT
DURING THE FIRST MONTHS OF HIS ADMINISTRATION, WITH SPECIAL FOCUS

ON THE ADMINISTRATIONS RECORD IN THE AREA OF FOREIGN AND ENERGY POLICY. THE EMBASSY IS ATTEMPTING TO OBTAIN A COPY OF THE REPORT FOR ANALYSIS AND SUBMISSION TO WASHINGTON.

2. DEVELOPMENT MINISTRY IMPOSES ADDITIONAL IMPORT REQUIREMENTS.

THE CABINET RECENTLY DECIDED THAT, IN ORDER TO IMPORT REFRIGERATORS, STOVES, WASHING MACHINES, TELEVISION SETS, WATER COOLERS, OR TOILETS, SUPPLIERS WOULD HAVE TO REQUEST IMPORT LICENSES FROM THE DEVELOPMENT MINISTRY. THE JUSTIFICATION FOR THIS ACTION IS BASED ON THE NEED TO PROTECT AND STIMULATE LOCAL INDUSTRY AND ALSO TO BOLSTER THE DEVELOPMENT MINISTRY'S LEVERAGE AGAINST MERE "ASSEMBLY INDUSTRIES". THE MINISTRY BELIEVES THAT, BY RESTRICTING IMPORTS AND CAJOLING LOCAL INDUSTRY, MORE LOCAL COMPONENTS COULD BE MANUFACTURED IN VENEZUELA.

COMMENT: APART FROM THE OFFICIAL JUSTIFICATION, THIS RESTRICTION PRECEDED BY THE RESTRICTION ON IMPORTATION OF VEHICLES NOT MANUFACTURED IN VENEZUELA, LENDS CREDENCE TO THE REPORTS THAT THE GOV IS CONCERNED ABOUT THE RISING LEVEL OF IMPORTS AND IS PUBLICLY USING INFANT INDUSTRY AND DEVELOPMENTAL ECONOMIC ARGUMENTS TO JUSTIFY NEEDED IMPORT RESTRICTIONS.

3. FOUR SOLDIERS WOUNDED WHEN ARMY PATROLS SWEEPING THE SOUTHWEST REGION OF ANZOATEGUI STAE MADE CONTACT WITH GUERRILLAS JANUARY 17 IN TWO SEPARATE INCIDENTS. TWO SOLDIERS WERE WOUNDED WHEN THEIR PATROL ENCOUNTERED GUERRILLAS INLA FORTALEZA, 30 KILOMETER LIMITED OFFICIAL USE

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FROM WHERE SIX SOLDIERS WERE KILLED LAST NOVEMBER IN AN AMBUSH (SEE 77 CARACAS 11449). IN A SEPARATE ENCOUNTER, ANOTHER SOLDIER WAS WOUNDED WHEN GUERRILLAS ATTACKED AN ARMY PATROL IN THE VICINITY OF PARIGUAN, ABOUT 30 KILOMETERS SOUTH OF LA FORTALEZA. PRESS REPORTED JANUARY 20 THAT A FOURTH SOLDIER HAD BEEN WOUNDED WHEN GUERRILLAS ATTACKED ANOTHER SMALL ARMY PATROL, AGAIN IN THE AREA OF LA FORTALEZA.

4. LATE LAST WEEK, GOVERNMENT PATROLS ALSO UNCOVERED TWO GUERRILLA ENCAMPMENTS, ONE IN THE SOUTHWEST REGION OF MONAGAS STATE AND THE OTHER IN ANZOATEGUI. DEFENSE MINISTER PAREDES BELLO DISMISSED AS INSIGNIFICANT THE ANZOATEGUI ENCAMPMENT, NOTING IT HAD BEEN ABANDONED FOR SOME TIME. THE CACHE IN MONAGAS STATE WAS REPORTEDLY MORE RECENTLY ESTABLISHED AND CONTAINED A SMALL QUANTITY OF ARMS AND FOOD SUPPLIES.

5. COMMENT: THE GOV HAS PERMITTED ONLY LOWKEY COVERAGE OF GUERRILLAS ACTIVITIES IN THE LAST TWO MONTHS, THIS IS PARTICULARLY TRUE ABOUT CURRENT MILITARY OPERATIONS IN EASTERN VENEZUELA. SINCE LAST NOVEMBER, FIVE BATTALIONS HAVE BEEN ADDED TO THE FIVE REGULARLY ASSIGNED THERE TO INCREASE

SWEEP PATROL CAPABILITY. THE NEWS OF THE MOST RECENT SHOOTOUT WAS CONFINED FOR THE MOST PART TO THE BACK PAGES OF THE PRESS, WHILE THE DEFENSE MINISTER WENT OUT OF HIS WAY TO DOWNPLAY AS INSIGNIFICANT THE ANZOATEGUI ENCAMPMENT, WHOSE DISCOVERY HAD BEEN PROMINENT PLAY IN THE SENSATIONALIST PRESS.

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6. COPEI CELEBRATES ITS 32ND ANNIVERSARY.
JANUARY 13 MARKED COPEI PARTY'S 32ND YEAR OF EXISTENCE AND THE BIRTHDAY WAS PROPERLY CELEBRATED BY THE SOCIAL CHRISTIAN PARTY. LEADING MEMBERS OF THE OPPOSITION INCLUDING AD PARTY FOUNDER ROMULO BETANCOURT JOINED THE FESTIVITIES. CONSPICUOUS BY THEIR ABSENCE WERE PRESIDENT PEREZ WHO SENT THE COPEYANOS A LETTER OF CONGRATULATIONS AND AD PRESIDENTIAL CANDIDATE LUIS PINERUA ORDAZ WHO WAS OFF CAMPAIGNING IN HIS HOME STATE THAT WEEK.

7 THE UNIVERSIDAD CENTRAL DE VENEZUELA (UCV)
SPONSORS A REUNION OF THE "GENERATION OF 28" WITHOUT ROMULO BETANCOURT.
SURVIVING MEMBERS OF THE FAMOUS "GENERATION OF 28" MET AT THE UCV ON JANUARY 17 TO PLAN THEIR 50TH ANNIVERSARY CELEBRATION IN FEBRUARY. THE MEETING GAINED SOME NOTORIETY WHEN THE GROUP'S MOST FAMOUS MEMBER, ROMULO BETANCOURT, DECLINED THE INVITATION. IN A LETTER TO THE UCV RECTOR WHICH WAS PUBLISHED BY THE CARACAS PRESS JANUARY 17, BETANCOURT SAID THAT HE HAD DECIDED 17 YEARS AGO TO SHUN ALL ACTIVITIES ON THE UNIVERSITY CAMPUS SINCE IT HARBORS CERTAIN ANTI-DEMOCRATIC

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GROUPS WHO EXPRESS THEIR OPPOSITION THROUGH VIOLENCE. BETANCOURT EXPLAINED THAT AFTER A CEREMONY IN APRIL 1960 (HIS LAST VISIT TO UCV) "THE UNIVERSITY BECAME THE SCENARIO OF ROWDY ACTS OF RUDE PROVOCATION AGAINST RESPECTABLE LATIN AMERICAN LEADERS..." INCLUDING CHILE'S EDUARDO FREI.

COMMENT: COMMEMORATION OF THE "GENERATION OF 28" (A GROUP OF UCV STUDENTS WHO, THROUGH THEIR OPPOSITION TO DICTATOR JUAN VICENTE GOMEZ IN 1928, FOSTERED THE BIRTH OF DEMOCRATIC POLITICAL ACTIVISM IN VENEZUELA) IS PART OF VENEZUELA'S GENERAL CELEBRATION OF DEMOCRACY IN 1978. THE 5TH FREE PRESIDENTIAL ELECTION WILL BE HELD IN DECEMBER OF THIS YEAR AND JANUARY 23 MARKS THE 20TH ANNIVERSARY OF THE OVERTHROW OF PEREZ JIMENEZ. THROUGHOUT JANUARY THE MEDIA HAS HIGHLIGHTED THE ANNIVERSARY OF THE 1958 "GOLPE" WITH SUPPLEMENTS, SPECIAL EDITIONS AND RADIO SHOWS DEVOTED TO REMINDING VENEZUELAN OF WHAT HAPPENED.

8. OTHER REPORTING THIS WEEK INCLUDED CONTACT WITH BOLIVIAN EX-PRESIDENT HERNAN SILES ZUAZO (CARACAS 572), VISIT OF SENATOR LLOYD BENTSEN TO CARACAS (CARACAS 337), ECONOMIC DEVELOPMENTS: MARGARITA ISLAND (CARACAS 382), MEETING OF PREPARATORY COMMITTEE OF UN CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CARACAS 373), OIL COMPANY PROBLEMS--FINAL DECISION REPORTED ON ASSET EVALUATIONS (CARACAS 347), OIL COMPANY PROBLEMS-- MOBIL (CARACAS 492), SELA ACTION COMMITTEE MEETS IN CARACAS (CARACAS 440), SELA ACTION COMMITTEE CHAIRMAN REPORTS SERIOUS MALNUTRITION PROBLEM IN LATIN AMERICA (CARACAS 452), VENEZUELAN ECONOMIC OUTLOOK (CARACAS 437), CVF TO AID FOREIGN INVESTORS (CARACAS 456), COUNTRY COMMERCIAL PROGRAM --FIRST QUARTER 1978 (CARACAS 458), AND VENEZUELA BORROWS \$178 MILLION FROM ARAB BANKS (CARACAS 460).

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Message Attributes

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